



# 2013 Half-Year Results

July 31, 2013 | Amsterdam

---

**Nancy McKinstry**

Chief Executive Officer and Chairman

**Kevin Entricken**

Chief Financial Officer



**Wolters Kluwer**

When you have to be right

# Forward-looking Statements

*This presentation contains forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall", and similar expressions. Wolters Kluwer cautions that such forward-looking statements are qualified by certain risks and uncertainties, that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions, conditions in the markets in which Wolters Kluwer is engaged, behavior of customers, suppliers and competitors, technological developments, the implementation and execution of new ICT systems or outsourcing, legal, tax, and regulatory rules affecting Wolters Kluwer's businesses, as well as risks related to mergers, acquisitions and divestments. In addition, financial risks, such as currency movements, interest rate fluctuations, liquidity and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. Wolters Kluwer disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

*Unless otherwise stated, this presentation is based on continuing operations. Comparative information is presented accordingly. Growth rates are cited in constant currencies unless otherwise noted.*

# Agenda

- Introduction
- Financial Review
- Strategic and Operating Review
- 2013 Outlook

# Introduction

- Positive organic growth despite continued decline in Europe and in print
- Electronic & service subscription revenues grew 4% organically
- Leading, growing positions all achieved organic growth of 5% or better
  - Positions further strengthened with organic investment and selective acquisitions
- Continued divestment of non-core assets
  - Best Case and Access Data completed in the first half
- Margins reflect growth investment, timing of restructuring and dilutive disposals; expect improvement in second half
- Reiterating full year guidance

# Agenda

- Introduction
- Financial Review
- Strategic and Operating Review
- 2013 Outlook

# Half-year 2013 results

*On track to meet full year guidance*

(€ million)	2013 HY	2012 HY	Δ	Δ CC	Δ OG
Revenues	1,742	1,735	0%	+1%	+1%
Ordinary EBITA	334	340	-2%	0%	-1%
Diluted ordinary EPS (€)	0.66	0.67	-2%	-1%	
Ordinary free cash flow	140	142	-1%	+1%	
Net Debt/EBITDA ratio	2.6x	3.0x			

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29); ΔOG-% Organic growth. 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

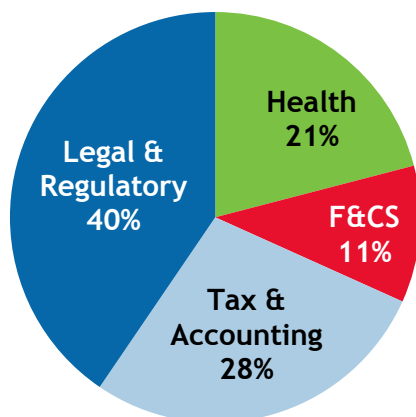
# Revenues by division

*Organic growth at Health helped offset tough comparable for F&CS*

(€ million)	2013 HY	2012 HY	Δ	Δ CC	Δ OG
Legal & Regulatory	707	720	-2%	-1%	-1%
Tax & Accounting	483	486	-1%	0%	+1%
Health	364	349	+4%	+6%	+4%
Financial & Compliance Services	188	180	+4%	+5%	-3%
<b>Total Revenues</b>	<b>1,742</b>	<b>1,735</b>	<b>0%</b>	<b>+1%</b>	<b>+1%</b>

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29); ΔOG-% Organic growth. 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

## HY 2013 Revenues



## Organic Growth by Geographic Market

- North America +2%
- Europe -2%
- Asia Pacific & ROW +8%

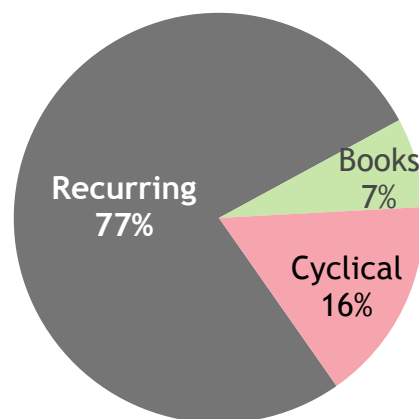
# Revenues by type

*Steady growth in recurring revenues dampened by cyclical businesses*

(€ million)	2013 HY	2012 HY	Δ	Δ CC	Δ OG
Electronic & service subscription	944	904	+4%	+6%	+4%
Print subscription	216	236	-8%	-8%	-6%
Other non-cyclical	178	175	+2%	+3%	+3%
<b>Recurring revenues</b>	<b>1,338</b>	<b>1,315</b>	<b>+2%</b>	<b>+3%</b>	<b>+2%</b>
Books	123	137	-10%	-9%	-8%
CLS transactional	97	90	+8%	+8%	+8%
FS transactional	34	35	-3%	-3%	-4%
Other cyclical	150	158	-5%	-4%	-8%
<b>Total revenues</b>	<b>1,742</b>	<b>1,735</b>	<b>0%</b>	<b>+1%</b>	<b>+1%</b>

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29); ΔOG-% Organic growth. 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

## HY 2013 Revenues





# Ordinary EBITA

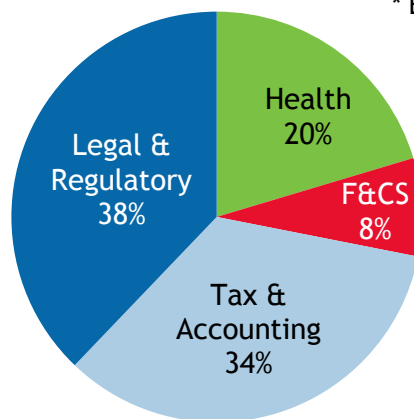
*Modest margin decline due to investments, disposals and timing factors*

(€ million)	2013 HY	2012 HY	Δ	Δ CC	Δ OG	Margin 2013 HY	Margin 2012 HY
Legal & Regulatory	135	140	-4%	-3%	-3%	19.0%	19.4%
Tax & Accounting	121	121	0%	+1%	+4%	25.1%	24.8%
Health	72	68	+7%	+9%	+5%	19.9%	19.5%
Financial & Compliance	28	32	-14%	-13%	-17%	14.6%	17.8%
Corporate	(22)	(21)	+6%	+6%	+6%		
<b>Ordinary EBITA</b>	<b>334</b>	<b>340</b>	<b>-2%</b>	<b>0%</b>	<b>-1%</b>	<b>19.2%</b>	<b>19.6%</b>

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29); ΔOG-% Organic growth. 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

## HY 2013 Ordinary EBITA\*

\* Excluding corporate



# Ordinary Net Income and EPS

*Ordinary net income broadly stable despite higher tax rate*

(€ million)	2013 HY	2012 HY	Δ	Δ CC
Revenues	1,742	1,735	0%	+1%
<b>Ordinary EBITA</b>	<b>334</b>	<b>340</b>	<b>-2%</b>	<b>0%</b>
<i>Ordinary EBITA margin (%)</i>	19.2	19.6		
Ordinary net finance results <sup>1)</sup>	(61)	(62)		
Equity-accounted investees	0	0		
<b>Ordinary income before tax</b>	<b>273</b>	<b>278</b>	<b>-2%</b>	<b>-1%</b>
Tax on ordinary income	(75)	(76)		
<i>Effective benchmark tax rate (%)</i>	27.7	27.4		
Non-controlling interests	(1)	(1)		
<b>Ordinary net income</b>	<b>197</b>	<b>201</b>	<b>-2%</b>	<b>-1%</b>
<i>Diluted weighted average shares (million)</i>	299.7	299.9		
<b>Diluted ordinary EPS (€)</b>	<b>0.66</b>	<b>0.67</b>	<b>-2%</b>	<b>-1%</b>

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29). 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

1) Includes settlement (related to Lehman Brothers) but excludes employee benefits financing component of €2 million and excludes result on divestment of the minority interest in AccessData

# IFRS Profit and Diluted EPS

*IFRS profits benefit from capital gains and lower loss on discontinued*

(€ million)	2013 HY	2012 HY	Δ
<b>Ordinary EBITA</b>	<b>334</b>	<b>340</b>	<b>-2%</b>
Amortization of acquired intangibles	(93)	(88)	
Results on divestments of operations	50	0	
Non-benchmark costs	(6)	(5)	
<b>Operating profit</b>	<b>285</b>	<b>247</b>	<b>+15%</b>
Net finance results <sup>1)</sup>	(51)	(64)	
Share of profit of equity-accounted investees	0	0	
<b>Profit before tax</b>	<b>234</b>	<b>183</b>	<b>+28%</b>
Taxation	(68)	(44)	
<b>Profit after tax</b>	<b>166</b>	<b>139</b>	<b>+19%</b>
Loss on discontinued operations, net of tax	(2)	(19)	
<b>Profit for the period</b>	<b>164</b>	<b>120</b>	<b>+37%</b>
Non-controlling interests	0	1	
<b>Net profit to equity holders</b>	<b>164</b>	<b>121</b>	<b>+36%</b>
<b>Diluted EPS (€)</b>	<b>0.55</b>	<b>0.40</b>	<b>+38%</b>

Δ-% Change. 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

1) Net finance results includes 12 million capital gain on disposal of AccessData, 2 million employee benefits financing charge and €3 million settlement received (relating to Lehman Brothers)

# Ordinary Free Cash Flow

*Increased working capital outflow offset by lower tax payments*

(€ million)	2013 HY	2012 HY	Δ	Δ CC
<b>Ordinary EBITA</b>	<b>334</b>	<b>340</b>	<b>-2%</b>	<b>0%</b>
Depreciation and amortization of other intangibles	64	58		
Autonomous movements in working capital	(46)	(18)		
Net capital expenditure	(70)	(67)		
<b>Ordinary operating cash flow</b>	<b>282</b>	<b>313</b>	<b>-10%</b>	<b>-8%</b>
<i>Cash conversion ratio (%)</i>	85	92		
Paid finance cost	(102)	(103)		
Paid income tax, adjusted for Springboard	(40)	(64)		
Appropriation restructuring provisions, excluding Springboard	(9)	(9)		
Other <sup>1)</sup>	9	5		
<b>Ordinary free cash flow</b>	<b>140</b>	<b>142</b>	<b>-1%</b>	<b>+1%</b>

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29). 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

1) Other includes share based payments, dividends received and other

# Movement in Net Debt

*Net debt increased on higher acquisition spend*

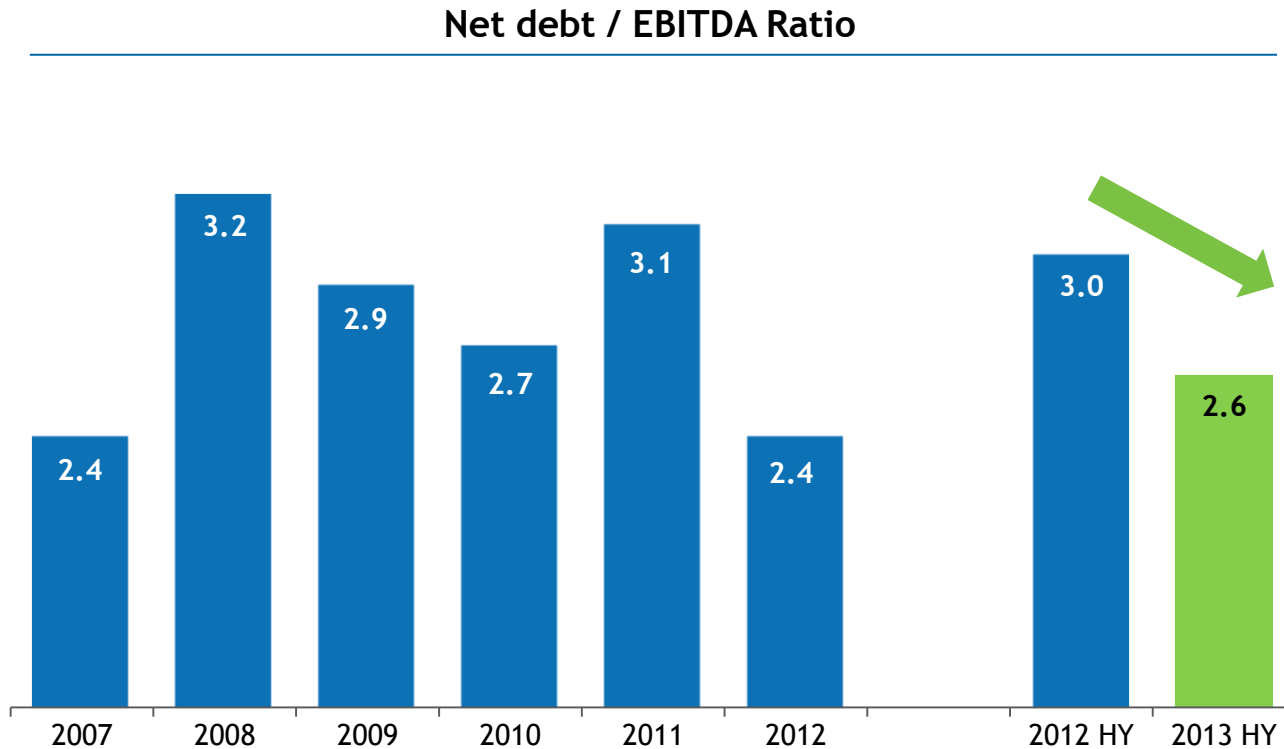
(€ million)	2013 HY	2012 FY	2012 HY
<b>Net debt at start of period</b>	<b>(2,086)</b>	<b>(2,168)</b>	<b>(2,168)</b>
Ordinary free cash flow from continuing operations	140	507	142
Springboard restructuring, net of tax	(6)	24	(15)
Acquisition spending, including costs	(172)	(115)	(8)
Divestiture - cash proceeds, including costs	74	5	4
Dividend payments	(205)	(92)	(90)
Repurchase of shares	(14)	(133)	(89)
Discontinued operations, net of cash disposed of	(1)	6	(6)
Change in the fair value of derivatives	(12)	(37)	(18)
Foreign exchange and other	6	(35)	(10)
<b>Net debt at end of period</b>	<b>(2,276)</b>	<b>(2,086)</b>	<b>(2,258)</b>
<b><i>Net debt / EBITDA<sup>1)</sup> ratio</i></b>	<b>2.6x</b>	<b>2.4x</b>	<b>3.0x</b>

2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

1) Based on a twelve month rolling EBITDA

# Leverage

*Improved Net Debt/EBITDA ratio 2.6x; all cash dividend paid in 2Q*



2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

# Balance Sheet

*Balance sheet remains solid*

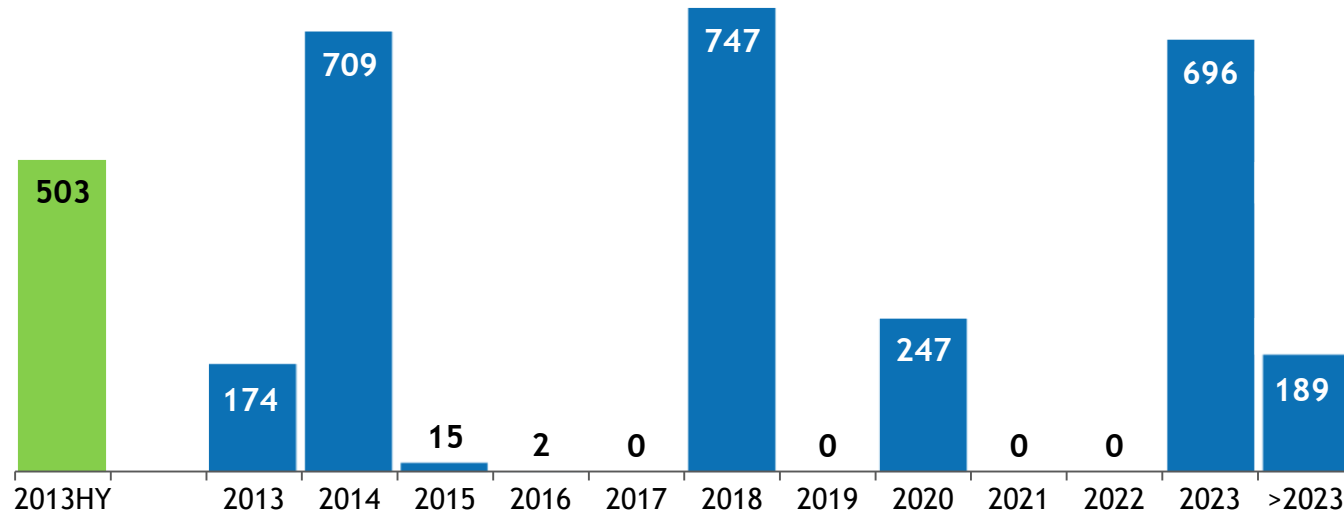
(€ million)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Goodwill and intangible assets	4,778	4,651	4,756
Investment in equity-accounted investees	33	61	100
Other non-current assets	259	265	290
<b>Non-current assets</b>	<b>5,070</b>	<b>4,977</b>	<b>5,146</b>
Current assets	1,549	1,579	1,331
Current liabilities	(2,750)	(2,655)	(2,326)
Working capital	(1,201)	(1,076)	(995)
<b>Capital employed</b>	<b>3,869</b>	<b>3,901</b>	<b>4,151</b>
Total equity	1,520	1,558	1,554
Long-term debt	1,902	1,918	2,156
Other non-current liabilities	447	425	441
<b>Total financing</b>	<b>3,869</b>	<b>3,901</b>	<b>4,151</b>

2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

# Debt Maturity Profile

*Issued Eurobond €700 million of 2.875% to secure 2014 bond maturity*

## Financing Profile



Cash & cash equivalents + derivatives receivable

Debt maturity profile



# Summary

- First half revenues up 1% organically
- Ordinary EBITA of €334 million; 19.2% margin, improving in the second half
- First half ordinary diluted EPS €0.66
- Ordinary free cash flow of €140 million, up 1% in constant currency
- Net-debt-to-EBITDA of 2.6x, to be on target of 2.5x or better by year-end
- Reiterate full year guidance

# Agenda

- Introduction
- Financial Review
- Strategic and Operating Review
- 2013 Outlook

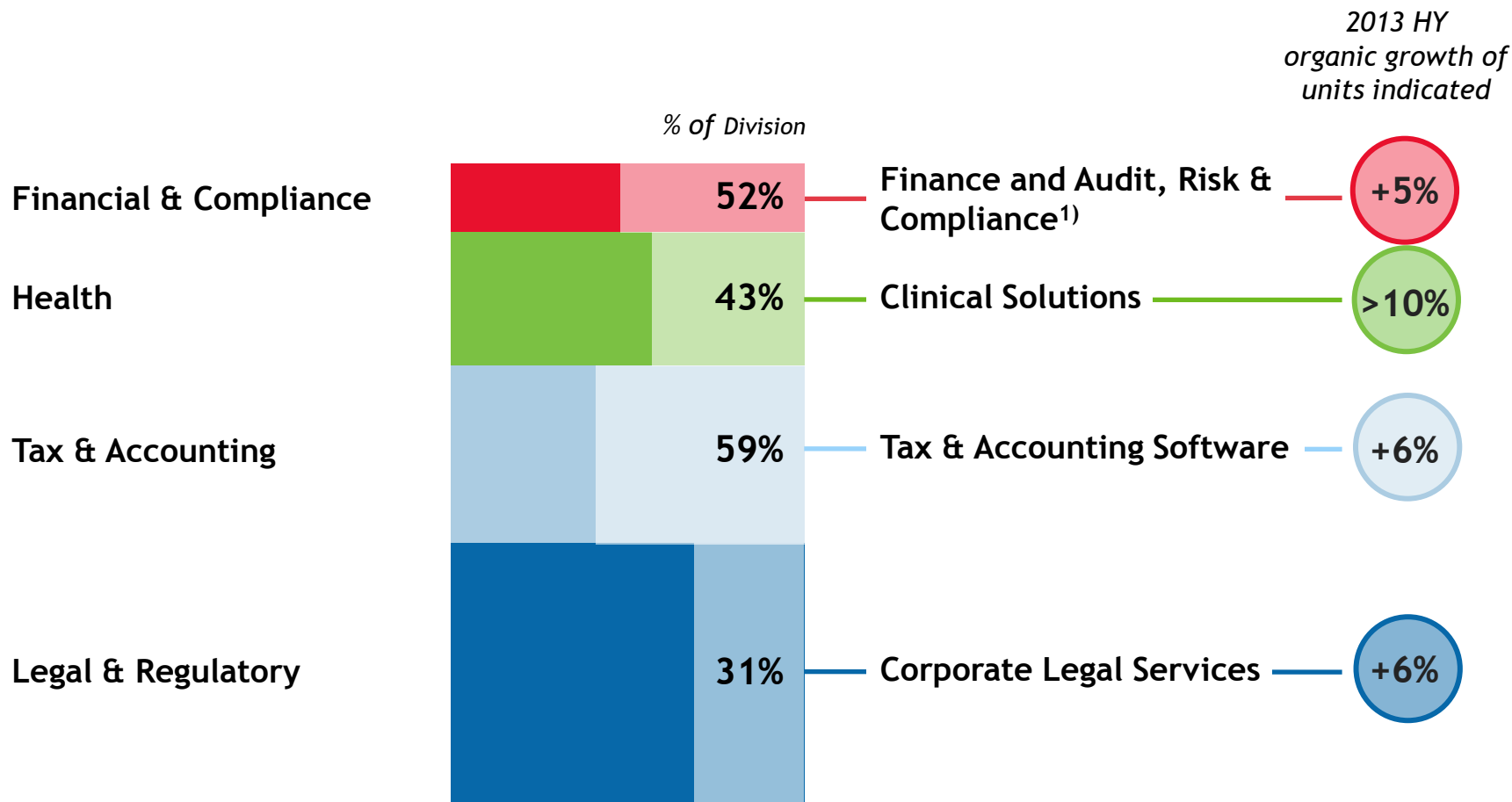
# Progress on strategy

*Our strategy aims to accelerate profitable growth*



# 1. Expand our leading, high growth positions

*Our leading high growth positions all grew 5% organically or better*

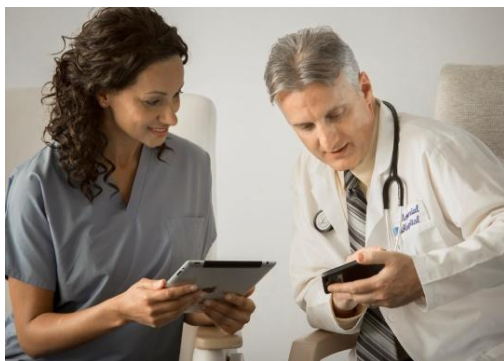


1) Includes the Finance, Risk & Compliance and Audit, Risk & Compliance units within the F&CS division

## 2. Deliver solutions and insights

*We are focusing on solutions that deliver increased productivity for our customers*

### Increasingly Mobile



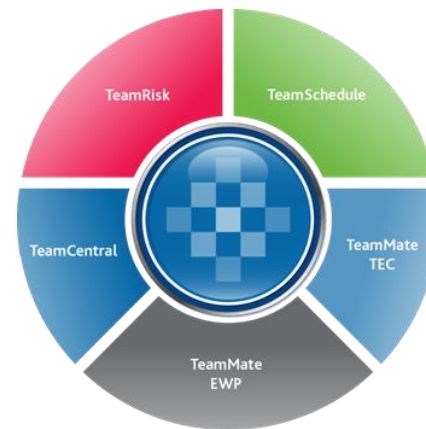
- UpToDate Anywhere mobile app

### Drives Decisions and Outcomes



- TyMetrix 360° advanced user interface

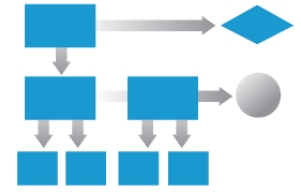
### Tailored to the Customer



- TeamMate Express for smaller audit departments

# 3. Drive efficiencies

*We are continuing to drive savings and creating global scale economies*



## Sourcing

- Travel
- Printing and freight

## Technology

- Reduce storage consumption, server footprint and devices
- Deploy service tiered strategy

## Real Estate

- Office consolidation
- Warehousing consolidation and outsourcing

## Sales Channel & Go to Market

- Implement big data software solutions to improve prospecting
- Restructure of the sales force

## Process & Organization

- Consolidate printing and distribution
- Expand Editorial offshoring

# Selective acquisitions and disposals

*Leading, growing positions further strengthened*

## Key acquisitions

## Selected divestments

Legal &  
Regulatory



avantiq

Expands trademark  
research in Europe

- Best Case Solutions
- AccessData (interest)

Tax &  
Accounting



Prosoft  
*Inteligência contábil e proximidade*

Leading provider of Tax  
software in Brazil

Health



HL  
Health Language

Leading player in medical  
terminology management

Financial &  
Compliance  
Services



iSentry

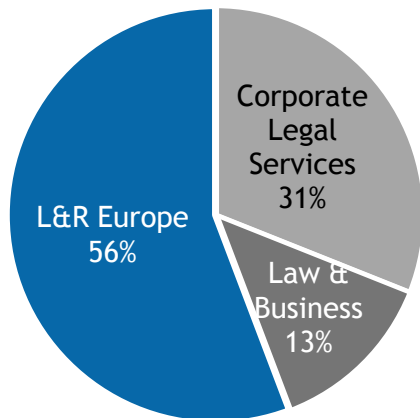
Provider of secure  
electronic data storage,  
delivery and e-signature  
solutions

# Legal & Regulatory

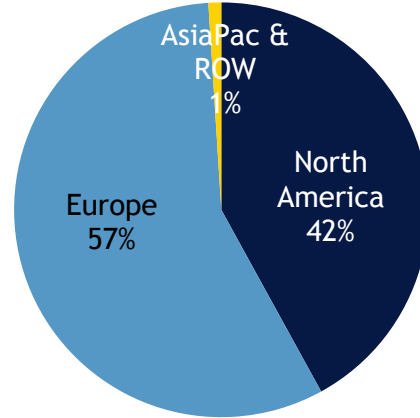
Improved organic trend in both North America and Europe

€ million	2013 HY	2012 HY	Δ	Δ CC	Δ OG
Revenues	707	720	-2%	-1%	-1%
Ordinary EBITA	135	140	-4%	-3%	-3%
Margin	19.0%	19.4%			

## L&R Segments



## Revenue by Geography\*



\* HY 2013 revenues by geographic market

## North America: CLS and L&B

- Organic growth +3% driven by Corporate Legal Services, up +6%
- Launched new interface for legal spend software solution TyMetrix
- Expanding trademark research with the acquisition of Avantiq in Europe
- L&B achieves strong growth in digital products; legal education faced tough comparable and lower enrollments

## L&R Europe

- Organic growth -4% as economic conditions remain challenging
- Efforts to drive efficiencies continue
- Investment in legal workflow tools

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29); ΔOG-% Organic growth



# Tax & Accounting

*Organic growth driven by software; margins stable despite investment*

€ million	2013 HY	2012 HY	Δ	Δ CC	Δ OG
Revenues	483	486	-1%	0%	+1%
Ordinary EBITA	121	121	0%	+1%	+4%
Margin	25.1%	24.8%			

## North America

- Software revenues up 4%
- Publishing and bank product decline as expected
- CCH Axxess well-received

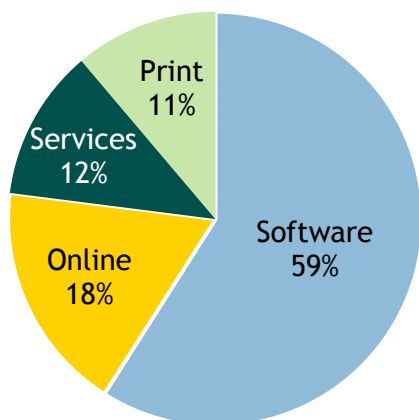
## Europe

- Organic growth positive, despite economic conditions
- Print products and cyclical services remain weak as expected
- Twinfield cloud-based solutions growing at double-digit rate

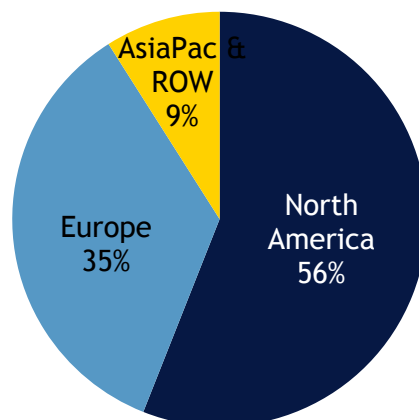
## Asia Pacific & ROW

- Software growth largely offset by decline in publishing
- Acquisition of Prosoft in Brazil

### Media Formats



### Revenue by Geography\*



\* HY 2013 revenues by geographic market

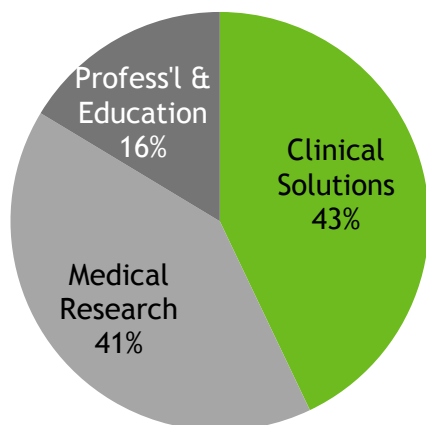
Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29); ΔOG-% Organic growth

# Health

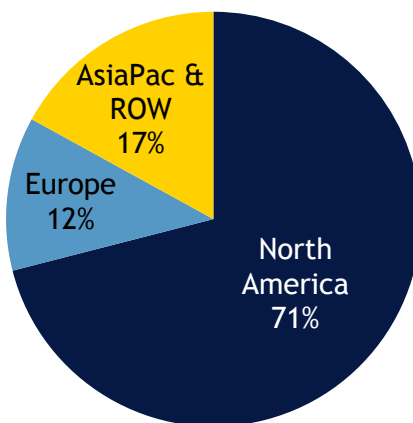
Organic growth 4% driven by Clinical Solutions

€ million	2013 HY	2012 HY	Δ	Δ CC	Δ OG
Revenues	364	349	+4%	+6%	+4%
Ordinary EBITA	72	68	+7%	+9%	+5%
Margin	19.9%	19.5%			

## Health Segments



## Revenue by Geography\*



\* HY 2013 revenues by geographic market

## Clinical Solutions

- Maintains double-digit organic growth
- UpToDate adds Dermatology, local language search, and is investing in Chinese version
- Health Language acquired

## Medical Research

- Ovid and online journal growth offset by weakness in print subscriptions
- Two new society journal contract wins in first half
- Expanding in open access

## Professional & Education

- Organic decline due to market weakness, pruning of front list and timing of large orders

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29); ΔOG-% Organic growth

# Financial & Compliance Services

*F&CS results influenced by tough comparables and product migration*

€ million	2013 HY	2012 HY	Δ	Δ CC	Δ OG
Revenues	188	180	+4%	+5%	-3%
Ordinary EBITA	28	32	-14%	-13%	-17%
Margin	14.6%	17.8%			

## Finance, Risk & Compliance

- High single digit organic growth
- Investing in global capabilities

## Audit, Risk & Compliance

- Core audit product, TeamMate, sees good growth
- Product migration and investing in next generation platform

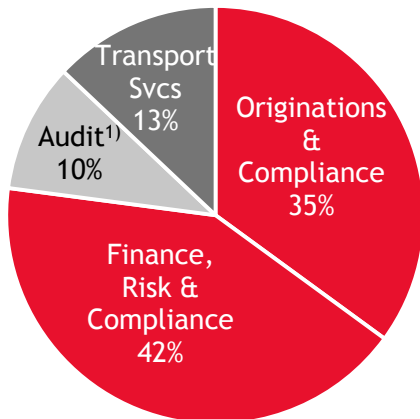
## Originations, Risk & Compliance

- Lower transactional and implementation revenues against tough comparable

## Transport Services (Europe)

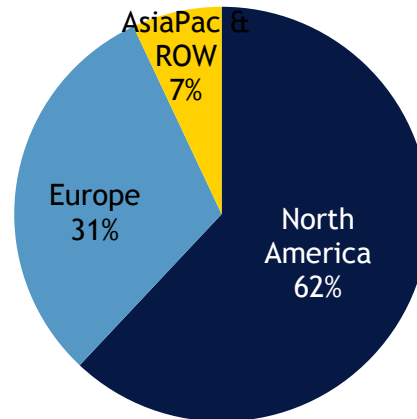
- Challenging market conditions drive lower volumes
- Repositioning and restructuring

### F&CS Segments



<sup>1)</sup> Audit, Risk & Compliance

### Revenue by Geography\*



\* HY 2013 revenues by geographic market

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29); ΔOG-% Organic growth

# Agenda

- Introduction
- Financial Review
- Strategic and Operating Review
- 2013 Outlook

# Divisional Outlook 2013

## Legal & Regulatory

- North America to see organic growth, driven by CLS
- European markets to remain weak
- Margin contraction

## Tax & Accounting

- Organic growth similar to 2012
- Growth in tax software globally
- Margins broadly stable

## Health

- Strong growth in Clinical Solutions
- Print journal and books markets to remain soft
- Margins to reflect investment and positive mix shift

## Financial & Compliance

- Finance, Risk & Compliance to see good growth
- European transport market remains challenging
- Growth and margins to improve in second half

# Guidance 2013

<b>Performance indicators</b>	<b>FY2013 Guidance</b>
Ordinary EBITA Margin	21.5-22.0%
Ordinary free cash flow	≥ €475 million
Return on Invested Capital (after tax)	≥ 8%
Diluted ordinary EPS	Low single-digit growth
Ordinary net finance result	Approximately €130 million
Benchmark tax rate	Broadly in line with 2012 rate

Guidance for ordinary free cash flow and diluted ordinary EPS is in constant currencies (EUR/USD 1.29).

Guidance reflects IFRS 11, IAS 19R and removal of the pension financing credit or charge from benchmark figures, and includes the estimated impact of performance share issuance offset by share repurchases.

# Appendix

---

**Nancy McKinstry**

Chief Executive Officer and Chairman

**Kevin Entricken**

Chief Financial Officer

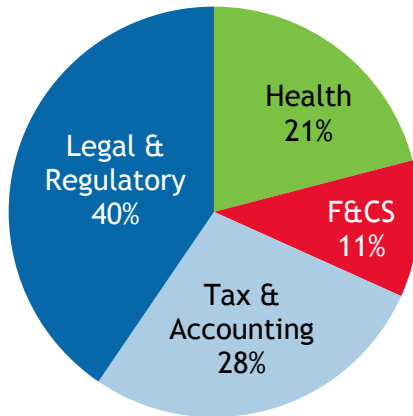


**Wolters Kluwer**

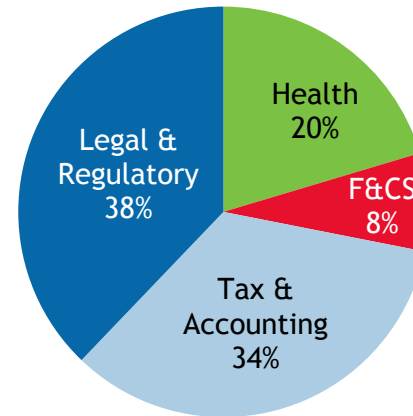
When you have to be right

# Revenue and EBITA Breakdown

## 2013 HY Revenues by division

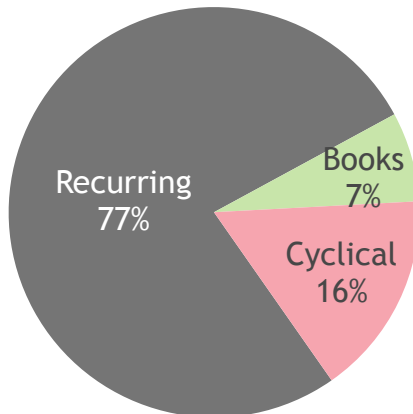


## 2013 HY Ordinary EBITA<sup>1)</sup>

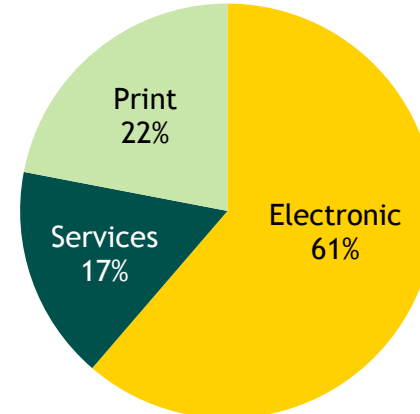


<sup>1)</sup> Excluding corporate costs of € 22 million

## 2013 HY Revenues by product type



## 2013 HY Revenues by media format





# Revenues by region

(€ million)	2013 HY	2012 HY	Δ	Δ CC	Δ OG
North America	944	936	+1%	+2%	+2%
Europe	675	692	-2%	-2%	-2%
AsiaPac & ROW	123	107	+13%	+16%	+8%
<b>Total Revenues</b>	<b>1,742</b>	<b>1,735</b>	<b>0%</b>	<b>+1%</b>	<b>+1%</b>

Δ-% Change; ΔCC-% Change constant currencies (EUR/USD 1.29); ΔOG-% Organic growth. 2012 restated for IAS 19R 'Employee benefits' and early adoption of IFRS 11 'Joint arrangements'

## 2013 Revenues

